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EXTENSION NO.

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DATE: 7 Dec 61

COR-0726-60

11 January 1960

MEMORANDUM FOR: Chief, Development Branch, DPD

THROUGH : Acting Chief, Development Projects Division **WB**

SUBJECT : CORONA Activity Program

REFERENCE : COR-0702, same subject, dated 10 Dec 1959

1. I am returning to you herewith the CORONA Activity Program which, you will note, I had recommended for approval but which the Director has not approved. I forwarded the document to the Director through the D/DCI who returned it to me for revision. He pointed out that on the basis of the rather meager facts contained in this document we would appear to have an outstanding liability of [REDACTED] (as stated in paragraph 3) and availability of funds of only [REDACTED]

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2. In discussion of this matter, I stated that the CORONA Program is indeed in an unsatisfactory condition and the overruns have been far larger than anticipated because of the intensive and costly work required to discover and to overcome the causes of malfunction. I also explained that funds are not in sight at this time to cover the cost of the CORONA follow-on program to which we are now deeply committed. The D/DCI, though not greatly surprised at these facts, said that he felt an Activity Program should not go to the Director calling for the approval of a program with no indication as to how it would be funded.

3. I may say that I fully agree with the D/DCI on this point and believe the attached document is quite unsatisfactory. This was my reaction when I received it, but I have to confess that I sent it along rather hoping the Director would approve the obligation of [REDACTED] requested therein as an interim action, and that I could in due time sit down with you for a thorough review of the financial status of these programs. In light of the D/DCI's expressed view, however, we are (I fear legitimately) estopped from taking this interim action until we are in a position to explain to the D/DCI and the DCI where we are headed. As this expression of my own views will doubtless suggest to you, I have myself been increasingly unclear as to how we propose to finance our share of these programs and I have not felt for a good many

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months that I was up to date even on the financial requirements for them, quite aside from prospective sources of funds.

4. Under the circumstances, I wish to address two requests to you:

a. With respect to CORONA, I would like at your earliest convenience to receive from you a complete financial statement for CORONA, CORONA follow-on, and ARGON from their inception through to their anticipated completion, by fiscal years. This does not need to be broken down in a lot of detail by object of expenditure but it should divide costs among major contractors and sub-contractors and among major categories of activity (such as the costs of additional unforeseen tests and modifications on CORONA). The statement should also show actual sources of funds for all funding available up to this time, including funds budgeted for FY 1960 and FY 1961. Upon receipt of this statement, I will wish to meet with you to discuss prospective sources of the additional funds required to complete these programs.

b. With respect to the format of Activity Programs, I would like to lay down the rule that an Activity Program (or amendment thereto) is not to be presented without a clear statement concerning the source of funds which explains either where funds are going to come from or, alternatively, that no funds are in sight for some part of the program in question. Any Activity Program presented for approval which shows a deficiency should contain some indication of action proposed to deal with the deficiency or else the consequences of carrying out the program only to the extent permitted by the available funds. In short, one of the functions of an Activity Program is to make clear to the approving officer how the program is to be paid for.

5. As a final comment on this matter, I draw your attention to the Contracting Officer's Weekly Report No. 60-27, (DPD-0243-60, 8 January 1960). This (a) states funds remain available in the CORONA budget and (b) gives an estimate of additional costs for CORONA. The former number is consistent with the attached Activity Program but the latter is not.

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The Contracting Officer states additional costs as [REDACTED] while the Activity Program gives a figure of [REDACTED] Thus, I find myself in the all too familiar position of receiving superficial inconsistent statements from DPD. I repeat my plea for consistency.

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[REDACTED]  
RICHARD M. BISSELL, JR.  
Deputy Director  
(Plans)

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Att:  
COR-0702

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